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Food supply in war time

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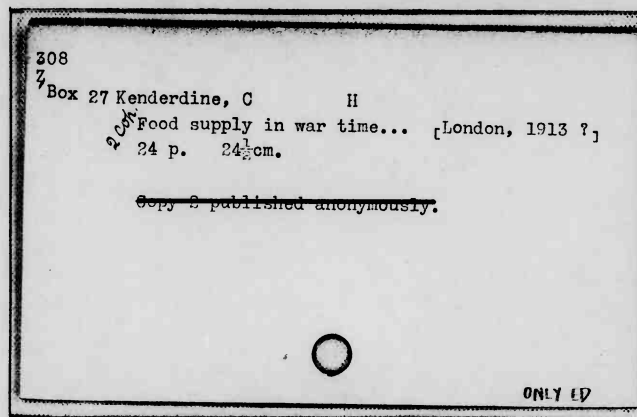
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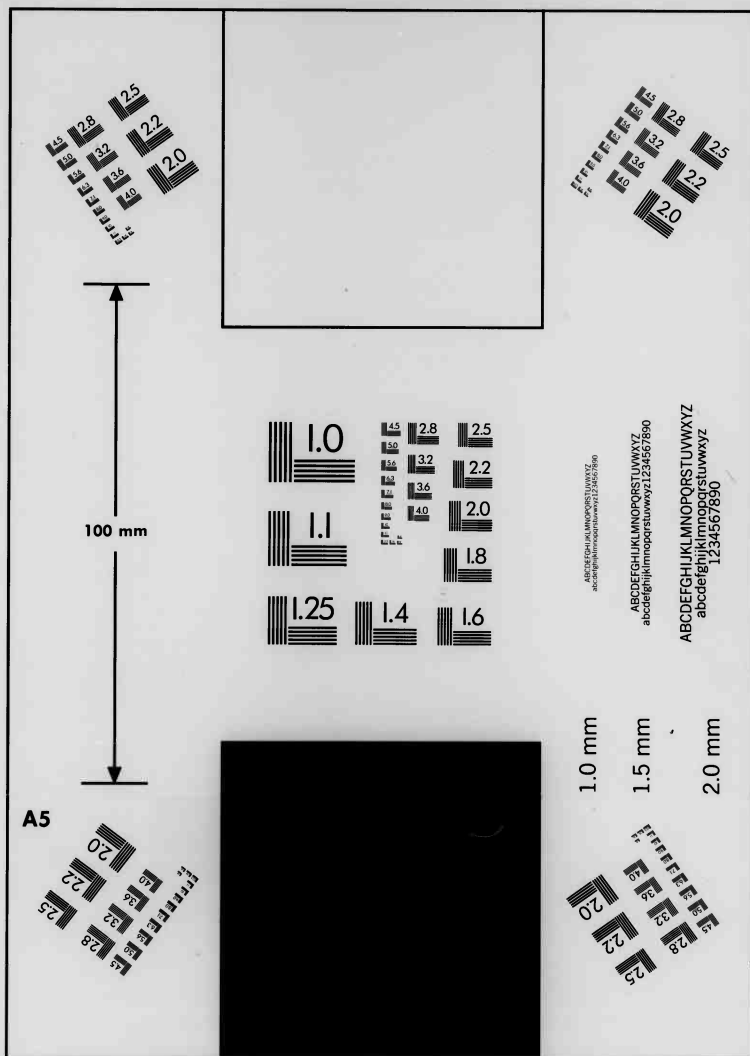
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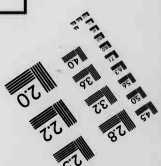
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# FOOD SUPPLY IN WAR TIME

By C. H. KENDERDINE

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*August 11th, 1913.*

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FOOD SUPPLY

IN

WAR TIME

Ms. 20, 1916 - B. 03.

## FOOD SUPPLY IN WAR TIME.

### SECTION I.

#### THE DANGER TO BE MET.

#### THE VICTUALLING OF THE HOME GARRISON.

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WHAT must strike the present day observer of British political life with a sense of uneasiness is its growing apathy. More and more each year we seem to wander from the region of settled policies to seek after little expedients which will tide over this or that difficulty as it arises. Full consideration of our national and imperial life is out of fashion. What prospect is there of any politician now entrusted with the governing of our affairs rising, in Parliament or in public meeting, to suggest a broad survey of the National position unaffected with party bias? A labour trouble, a new naval development, a suggestion of fresh military needs, the possibility of reviving some drooping industry, any one of these, as circumstances arise, may be made a matter of more or less complete discussion; and we appear quite content if the discussion merely assumes a popular tone and nothing practical is done.

Even in such a vital matter as the immediate defence of these islands, and the Empire for which they are responsible, there is no wide view taken. At one moment a discussion proceeds as to whether a *Dreadnought* can be saved on next year's estimates. Then for a time the debate shifts to another quarter and the exact possibilities for Home Defence of Territorials and Reservists are canvassed. Perhaps the fringe is touched of other aspects of the defence question when, in argument, an advocate of "Trust the Navy and the Navy alone" remarks triumphantly: "What after all is the real need of a Home Defence Army? Whilst the Navy commands the sea no great force can invade these islands. If the Navy no longer commands the seas it will not be necessary to invade us: we can be starved into

surrender." But in raising that argument there is no attempt made to consider *why* we should be starved and if there is really no means of providing a safeguard against the danger. It is to a consideration of that question I wish to invite attention now: and if the consideration is to be coherent it must at the outset touch on what is the actual "defence position" of the British Empire. Until that position is clearly understood the question of food supply in time of war cannot be properly discussed, because to know what degree of precaution is wanted it is necessary to know what degree of danger has to be faced.

### Ours a Policy of Peace.

All parties in Great Britain are agreed that our foreign policy is inspired by an earnest desire for peace. We wish to make no wars of aggression. Provided that we are left undisturbed to the development of our Empire we do not covet our neighbours' possessions. But strictly defensive as our foreign policy is, we cannot afford to rely upon the assurance that there will never come an occasion of necessary war, except in the repulse of a direct attack upon land which is actual British territory. To accept this as the position would mean that in defence of British interests we intend to fight only in the last ditch. The last ditch is the only proper place for the final stand of despairing courage. It is certainly not the proper strategic position for our first line of defence. Possibilities of action may arise on the part of rivals of Great Britain which would make it necessary that we should fight on the European continent now, or face the certainty of extinction a few years hence, however gallant the fight we put up in the last ditch. If, for example, a Power with a clearly hostile intent towards Great Britain invaded the Low Countries, or sought to absorb Spain, there would be an occasion of war in which the decisive battlefield would be on the continent of Europe and not on territory of our Empire nor on the sea (which for generations used to be counted as being as good as British territory). Some half-hearted recognition of that fact is one of the reasons why we maintain an Expeditionary Force. It is not the sole reason, because on our Expeditionary Force rests also the responsibility of upholding the British flag in parts of the Empire which are not peopled by self-defending British communities. Our Expeditionary Force might thus on occasion

have work to do in India, in Egypt, in South Africa (where the white populations are not yet strong enough to be safe against all possible risks of native wars) and in Europe.

Admitted that interference by a British army on the continent of Europe and possibly also on the continents of Asia and Africa is a contingency that has to be faced, the defence duty of the rulers of the British Empire surely stands thus:—

1. To maintain supremacy of the seas—in the final resort, on all the seas, so that the path from the Mother Country to her Dominions may be kept open and the sea be a "friendly boundary" to every part of the Empire.
2. To safeguard from successful invasion and occupation by an enemy all important parts of the Empire, including the Home Country, which, as the chief citadel, is the most important.
3. To provide for the proper victualling of the garrisons of the Empire—again including the Home Country which, as the chief garrison, is essential.

It is this third part of the defence duty which is so generally ignored and to which I would draw particular attention, but that attention must be based on the actual position as regards the two first duties. If the limit of possibilities of trouble in the future was a war, say with Switzerland, any scheme of victualling, whether of Gibraltar or of London, considered from a defence point of view would be a waste of time. On the other hand, if we have to face the possibility of war with a coalition of all Europe, the necessary precautions for food supply would need to be on an extreme scale. But neither of those suggested contingencies represent the "reasonable risk." What might reasonably happen in the future, and what therefore may be taken as the sound basis for precaution is this: serious trouble has arisen in India or Egypt or in South Africa; or in two or three of these places simultaneously, and the Expeditionary Force is called abroad. A European rival takes the opportunity of trying conclusions with the British Empire. Possibly in the first instance the suggestion is made, as there is every reason to believe it was made at the time of the South African War, that a coalition of the chief of the European Powers should be formed to "put England in her proper

place." It is not necessary to believe that the suggestion would prove acceptable. But a refusal to join such a coalition on the part of our friends on the European Continent would imply, if it did not exactly stipulate, that we should help them in like circumstances.

It is unwise to strain probability to make out an over-gloomy case. But reasonable precaution suggests that we must be ready for an event in which, simultaneously with trouble abroad in Asia or Africa demanding part of our Expeditionary Force and part of our Navy to keep the sea way clear for that Force, there should be a call in Europe for a British Army and in Great Britain for a Home Defence Army. We cannot base our calculations on the hypothesis that a rival desiring to humble us would select for the attack a time favourable to our interests. All the facts of military history argue that for the conflict an occasion would be chosen which found us preoccupied. If we were in the position of being able to wage an aggressive war we could pick our own time. But our political system prevents that. It would be impossible for any British Government to take advantage of a favourable moment to declare war, let us say, on San Marino because of a conviction that San Marino was waiting her day to challenge us. There will never be another such incident in British history as the Battle of Copenhagen. For good or for ill we must realise the fact that it is our *role* to await the attack; and if the attack comes it will be at a time least favourable to our chances of victory.

We must consider then the food position on the outbreak of such a war as there is reasonable probability to expect, a war in which all the Great Powers of Europe would have a direct concern, and in which there would be a pressing call for a portion of our Navy away from Home Waters and for our Expeditionary Force away from these islands.

## FOOD SUPPLY IN WAR TIME.

### SECTION II.

#### OUR WAR FOOD POSITION.

ALONE of the peoples concerned in a great European war, the British would be in that position which some opponents of an adequate Home Defence army cite as a curious reason for a sole trust on our part in the Navy: that if we cannot keep the sea routes to our ports clear we should starve in time of war. Great Britain imports over 80 per cent. of her cereal food supplies, over 50 per cent. of her dairy food supplies (cheese, butter and eggs) and over 40 per cent. of her meat supplies. Altogether a full 60 per cent. of our food is imported. In no other Power of Europe does the food import figure reach 15 per cent.\* Other countries could manage with a little pinching if imports were shut off altogether. But no other Power runs the same risk of stoppage of imports as we do, for we alone are an Island Power and must import our food solely by the path of the sea. If that path is blocked for long we must starve. If, though that path is open or partially open, other causes operate to cut off our imported supplies, again we must starve.

Undoubtedly the first step following the declaration of war would be the seizure by the Governments of the Continental Countries affected by the war of all foodstuffs within their borders or loaded at their ports. So far as the great countries of Europe were concerned the export of food necessities would cease for a time, whatever the maritime supremacy position might be. Upon the outbreak of the last Balkan war the Balkan

\* I do not wish to weary my readers with tables of figures. But here are a few leading facts. France produces 322,000,000 bushels of corn and consumes 330,000,000—deficit 8,000,000 bushels. Germany produces 1,295,000,000 bushels and consumes 1,504,000,000 bushels. Deficit 209,000,000 bushels (between 14 and 15 per cent.).

Governments proclaimed the requisition of all food products. The surplus wheat, flour, cheese, &c., of the country passed at once into the hands of the State. On the outbreak of a general European war all the continental countries would certainly take that step and since there would be no surety of the next harvest all food supplies would be jealously kept within their boundaries.\* Supposing the sea routes to be open and a request for supplies should come to a friendly Power from Great Britain, it would more likely than not be politely refused. For the time being bread would be the gold of the world, the one thing of real value, the thing about the future supply of which there would be a doubt. Wheat and flour would be hoarded with miserly care throughout the area affected, or likely to be affected, by the war.

#### A Loss of 25 per cent. of Imports.

At a moderate estimate a stoppage of all supplies from Europe would represent one quarter of the total food supplies now imported into the British Islands. Without considering any other factor, then, than the natural desire of countries at war, or on the edge of war, to husband food supplies about the future renewal of which there would be some uncertainty, in the production of which there would be a great stoppage, one quarter of the imported food supply of Great Britain must be stopped on the outbreak of war.

If that were the end of the possible loss, if we had to make up our minds that only 25 per cent. of our imported food supplies would be stopped by the hoarding of *foreign countries*, at war themselves or seeing the near prospect of war, the position would be sufficiently formidable to demand earnest measures of precaution. The cutting off of 25 per cent. of the normal food imports would not be met by a general agreement on the part of the British people to lessen their consumption. Panic

\* Space does not allow of citing the numberless proofs that can be adduced of this. A recent powerful article by Dr. Felix Somary, the German economist, may however be quoted. He thinks that the question of "physical sustenance" will be the most vital one in the next European war and advocates the building forthwith of gigantic warehouses for the storing of at least 2,000,000 tons of wheat. He estimates that the cost of husbanding and purchasing the wheat, including the construction of steel and cement storage-vaults, would be in the neighbourhood of £20,000,000, which he thinks would be a cheap investment, viewed from the standpoint of the vital emergency it sought to meet. The £1,200,000 a year interest which the project involves, if carried out with borrowed capital, is dismissed by Dr. Somary as a bagatelle. Yet Germany produces nearly all her own food supplies!

and wild competition would set prices soaring. Those who had means, fearing that worse scarcity was to follow, would seek to buy in order to hoard. The poor would be forced out of the market. The worker who nowadays fears the possibility of a rise of  $\frac{1}{4}$ d. in the 4 lb. loaf if a registration duty is put on foreign corn, would find that even the degree of scarcity which would follow on the stoppage of 25 per cent. of the wheat imports would put bread at double its present price.

#### Panic Prices.

Only the least of the factors of scarcity has so far been discussed—the veto on exports of European foodstuffs. But in the producing centres of the newer worlds also the outbreak of a great European war would act at once upon food supplies. There, too, hoarding would begin. In our own Dominions of Canada, Australia, and South Africa, in our Indian possessions, the fate of the next harvest would be a matter of uncertainty. The call of war would take many men from the fields. Production would be hampered. The fear of future scarcity would impel people to hoard. Prices would rise enormously. Though there were great stocks of foodstuffs available for export, holders would take advantage of the keen, the wild, demand. In the shadow of a great war every other consideration would give place to the desire to make sure of food, to-day's food, to-morrow's food, next month's food.

That then is the first conclusion we must come to: that on the outbreak of a European war there would be a general requisition of food supplies by the combatants, causing a stoppage of a large share of the exports to Great Britain. In other food producing countries there would be a movement to hoard food supplies and a huge increase in prices.

#### The Shipping Position.

So far I have not attempted to discuss the results of an outbreak of war on shipping by panic or by actual interruption of the sea food routes. But enough has been shown already to establish the necessity in these islands for precautionary measures against food scarcity at the outbreak of a European war. If an historical instance is needed to reinforce an argument (which stands, however, unquestionably firm) let us look back to the wild increase in food prices during the Crimean war

(wheat rose from 53s. 3d. a quarter in 1853 to 72s. 5d. a quarter in 1854) on account of a slight threat of interruption of supplies, and this was at a time when Great Britain produced practically the whole of her own consumption of wheat; now we produce less than one-fifth. But examine next the effect of threats to the security of food routes. On the outbreak of a great European war it is accepted as a fact by those interested in shipping that ships caught *en route* by the news would promptly make for the nearest neutral port unless perhaps they were near to a British part of destination. The Atlantic food ships *en route* could probably be expected to come to British ports, especially if a war insurance indemnity were promptly proclaimed by the British Government. "Wireless" could bring the news of the indemnity as well as of the outbreak of hostilities. But on the other food routes—that from Australia for example—it could not be expected that ships would persevere on their course. Commercial reasons would argue in all cases for a shipmaster to seek a neutral port. He would know that in all likelihood his cargo of foodstuffs would be requisitioned at a fixed price by any belligerent into whose hands it fell. By getting to a neutral port he would be able to command the advantages that the panic demand for foodstuffs gave.

A very considerable loss of consignments to Great Britain of foodstuffs on the water at the outbreak of war must therefore be provided for: not a loss owing to the operations of hostile fleets, but to the operation of natural commercial forces.

#### Paying the Market Value.

As for supplies of foodstuffs on friendly territory and cargoes at friendly ports in areas unaffected by the war when war was declared—it is to be expected that the British Government (which would already be faced by imminent fear of a famine afflicting the people) would be ready to adopt any *post-bellum* means to relieve the situation. An indemnity to shippers against loss would be certainly proclaimed, however staggering the cost. But would that be sufficient to attract supplies from abroad? Would not shippers seek "to take advantage of the market" to exact famine prices? In all probability the British Government would not only have to insure shippers against loss but would have to pay consignors the "market value" of their goods. It was

recently honestly explained by one of the petrol magnates in England that the market value of an article is "what you can get for it." Holders of wheat would almost certainly exact famine prices and the British consignees would have to pay. Our war bill might thus be doubled from the one fact that, though a country importing 80 per cent. of our wheat, we had made no provision for food supply in war time.

And if the food routes were seriously interrupted? If it were part of the duty of the Navy to go to the Mediterranean, or the Indian Ocean, or the Pacific, or the South Atlantic, and no ships could rightly be spared for the patrol of the food routes? If the light hostile Fleet eluded our Navy watching its heavy ships and carried on a war against our food ships? If we had to face a powerful European Navy which stood on the defensive and remained a Fleet in Being whilst avoiding a decisive action and kept our Navy on guard whilst an allied Fleet of our enemy operated along the food routes? If some accidental reverse seemed to leave the issue of naval supremacy open? Imagine these and other contingencies which are all within the reasonable chance of a great war. Then what was panic before would become madness, and hungry mobs in our cities would force a peace, however disgraceful, on the British Government. The cry for cheap food would win a new and terrible significance and the Empire would fall because bread was dear in London and Liverpool.

#### The Effect on the Navy.

But some of these contingencies need not be discussed in view of the one certainty that would confront our unvictualled islands and that certainty is this: that no ship of the British Navy, for any imperial necessity of clearing the way for the Expeditionary Force or of sending a hostile Fleet to destruction would stir from the two desperate tasks which the dread of famine and invasion would impose—the patrol of the Atlantic food route and of the British coast. Whatever happened to the Empire overseas a British Government would have to keep the Navy in British waters and on guard over the chief food route. The supreme necessity would be to keep these islands in food. Thus our claim as an Imperial Power might go by default. What happened in Asia or Africa or on the continent of Europe would be immaterial whilst the shadow of hunger was over England.

I was talking with a high authority on Defence recently, and he informed me that the strategists he knew were in agreement that if a Power such as Germany went to war with Great Britain, the policy of the enemy's campaign would be *Fabian*. The German Fleet would keep to the Baltic, always threatening a blow but not risking a decisive action and trusting to the effect of an undecided naval situation on the food supply ships to Great Britain. He added that it was the opinion of those best able to judge that until a decisive naval action was fought and won by Great Britain, the stream of commerce to these shores would not flow and the food ships would come in but scantily. It was his fear, he said, that the food position in Great Britain might force upon the Navy some policy of desperation.

That is one of the many warnings I have heard. The position without exaggeration is that under the most favourable circumstances Great Britain in the case of war would be hampered by threat of food famine and the existence of famine prices, and would be involved in a most costly policy of indemnity and of purchase at panic rates. Under circumstances less favourable, but on the whole more probable, she would find her Expeditionary Force kept from its true work, her Navy kept from its true work by the necessities of the food position. Under yet other circumstances, not improbable, she would find the ruin of her Empire decreed by the price of bread in London.

## FOOD SUPPLY IN WAR TIME.

### SECTION II.

#### THE INQUIRY OF 1904.

#### DIFFERENCE IN PRESENT CONDITIONS.

THE question of the supply of food to the population of these islands in war time has not been seriously taken into consideration since the South African War. In 1904 a Royal Commission to inquire into the matter was appointed, consisting of His present Majesty the King (then Prince of Wales), Lord Balfour of Burleigh (Chairman), the Duke of Sutherland, Lord Burghclere, Mr. Henry Chaplin, M.P., Mr. Lloyd-Wharton, M.P., Vice-Admiral Sir H. Gerard H. U. Noel (who, however, resigned and was replaced by Vice-Admiral Day Bosanquet), Sir John C. R. Colomb, M.P., Sir Alfred Bateman, Sir Henry Seton-Karr, M.P., Mr. Henry H. S. Cunninghame, Mr. Edmund Robertson, M.P., Professor T. Erskine Holland, Mr. Alfred Emmott, M.P., Mr. Alfred S. Harvey, Lieutenant-Colonel Robert Montgomery, Mr. Joseph E. Street, and Mr. John Wilson, M.P. It was charged to inquire into the conditions affecting the importation of food and raw material into the United Kingdom of Great Britain and Ireland in time of war, and into the amount of the reserves of such supplies existing in the country at any given period; and to advise whether it was desirable to adopt any measure, in addition to the maintenance of a strong Fleet, by which such supplies could be better secured and violent fluctuations avoided.

Before examining into the proceedings and findings of that Commission it is necessary to bear in mind the date. In January, 1904, the European position was vastly different from what it is to-day. The British Fleet was supreme in all waters. There was no challenge to

that Fleet from any source, but the South African War had awakened men's minds to an examination of the problems of defence. It was a time when the Empire was anxious as to its future: and the appointment of this Commission was one of the signs of the time. But in the midst of all the disquiet caused by the South African campaign there was left to the British nation one reason for comfortable satisfaction—the unassailed, the apparently unassailable strength of the Navy. Studying its comparative strength then, there was no forecast of the position to-day when we have withdrawn from the Pacific and are being squeezed out of our old paramount position, on every station except the Home Station, in order to maintain supremacy there. It is certain that those patriotic gentlemen who constituted the Royal Commission of 1904 would have very different evidence from the Admiralty and from other sources in 1913, and would come to very different conclusions. The report of the Royal Commission of 1904 cannot therefore be accepted as a trustworthy guide to the position to-day. It dealt with circumstances as regards naval strength which have ceased to exist, and in other respects there have been very great changes—in regard, for instance, to the source of food supplies. The North Atlantic food route is still the easiest to defend, but it is ceasing to be the most fruitful. From the United States wheat exports have fallen from 102,000,000 bushels in 1900, to 30,000,000 in 1912; flour from 18,500,000 barrels to 11,000,000; corn from 209,000,000 bushels to 40,000,000; canned beef from 55,500,000 lb. to 11,000,000; and bacon from 512,000,000 lb. to 209,000,000. The great Republic is finding that it needs all its own food supplies, and is beginning to draw on those of Canada. But it is not necessary to discuss in detail all the changes since 1904. The main fact is that the position as regards comparative naval strength has changed completely, and as regards most other factors in the problem of food supply in time of war has been a great deal modified.

Nevertheless the report of 1904—which I repeat must not be accepted as giving any sure indication of what would be the report of 1913 from the same gentlemen—contains much that is interesting, and the lines of its inquiry might very well be taken as a guide to any future inquiry. The 1904 Commission inquired first as to the likely stock of foodstuffs in the United Kingdom should war break out suddenly and then examined various proposals for increasing that supply.

Regarding the first part of the 1904 Commission's Inquiry the conclusions come to may be accepted as good for the present time. But it will be well, I think, to dismiss from our thoughts the question of "raw material" (of which for the chief industries, except iron-making, there is a six months' supply). The nation might make up its mind to let raw materials take their chance when a great war comes. If food supplies are certain, the disturbance of industry from the degree of loss of imports of raw material, serious as it would be, might be faced. It is not wise to attempt to do too much. Ensure the bread of the people so that the Navy can be free to do its real work—which is not to convoy the bum-boats of the nation—and the way is cleared for forcing a decisive issue, which would reduce to a minimum the risk of cotton ships or wool ships.

The 1904 Commission found that taking the most unfavourable time—and it is the most unfavourable time that has to be provided against—there would be likely to be on the outbreak of a great war a month's supply of cheese, a week's supply of butter and of eggs, and six-and-a-half weeks' supply of wheat—probably seven weeks' supply of all cereals. Of imported frozen meat there would probably be a month's supply in store. (But since the United Kingdom produces nearly half the meat it consumes and since at a crisis the local supply could be increased for a time, special measures do not seem to be needed in regard to meat supply.) The state of the national larder then in 1904 may be taken at roughly less than seven weeks' food in stock; and there has been no reason why there should be a change in the figures since.

The Commission of 1904 did not recognise this as a sufficient stock in case of an interruption of supplies. But (acting mainly on the evidence tendered by the Admiralty) it refused to believe in the possibility of an interruption of supplies, through the actions of an enemy's fleet. And—I state this with all respect—it did not take into account the probability of food-exporting nations on the outbreak of war requisitioning local supplies for their own use. That this step would be taken is practically certain. A Commission making a full inquiry now must, I think, come to the conclusion that some interruption of food supplies to the United Kingdom is certain owing to embargoes on export imposed in some countries of origin: and that further interruption is certain owing to the

timidity of shippers and the desire of holders to take advantage of panic and scarcity to exact very high prices from the safe vantage ground of neutral ports. And it would receive from the Admiralty nothing like the comforting assurances that were possible in 1904. But even in 1904 the Royal Commission had its doubts. It reported :—

“ We do not apprehend that any situation is likely to arise in which there would be a risk of the actual starvation of our population into submission. But we do regard with much concern the effect of war upon prices, and especially therefore on the condition of the poorer classes, for they will be the first to feel the pinch, and it is on them that the strain of increased prices would chiefly fall. We do not, however, look with any great alarm on the effect of war upon prices, so far as concerns what we have referred to as the economic rise of prices, *i.e.*, the increase likely to be produced by the enhanced cost of transport and insurance in time of war. We consider that the addition to the price of commodities under this head will be covered by a moderate percentage on their ordinary cost, and we believe that even this moderate increase might to a large extent be obviated by the adoption of a scheme of National Indemnity.

“ At the same time it seems to us that it would be unwise to disregard the dangers that might accrue from what we have described as the ‘panic’ rise of prices of staple articles of food, which might take place in the excitement sure to be caused by the outbreak of a great maritime war. No doubt the rapid spread of accurate information would tend to prevent any considerable duration of a rise due solely to panic, and we may assume that the greater the rise of prices the greater would be the exertions made to pour in supplies. But it can hardly be doubted that much suffering would be caused if the rise in prices was sudden in its inception, and more especially if it were to continue over any lengthened period of time ; and we cannot disregard the possibility that it might result in danger to calmness and self-possession just when those qualities would be of the greatest importance.

“ We have thought it our duty to consider whether any measures could be devised to minimise the risk of panic and to maintain so

far as possible a steady level of prices in time of war. It may be conceded that a larger stock of grain existing within the United Kingdom would be a powerful, if not indeed, the most powerful, or, as some may think, the only adequate means of attaining this end. The existence of larger stocks within this country might go far to allay the natural apprehension among the poorer classes that war might mean scarcity, or a serious and protracted enhancement in the price of bread. It is also perhaps worthy of consideration that the knowledge in foreign countries that the United Kingdom was provided so far as food is concerned against any sudden emergency, might defeat any calculation which takes for its basis the possibility that the United Kingdom might in face of starvation consent to an ignominious peace.”

Discussing, then, various means proposed to increase local supplies of breadstuffs, the Commission reported adversely on the proposal that the Government should buy a war stock of grain : and adversely on the proposal that merchants and millers should be subsidised to hold additional stocks. A cautious approval was given to the proposal to offer storage room rent free, “ if it were thought on full consideration that it was desirable to have resource to measures for increasing the stocks of wheat in the country.” The Commission was against proposals for offering inducements to farmers to keep their grain in the rick for a longer period than at present, holding that the cost would be out of proportion to the benefit. Its one definite and whole-hearted recommendation was that there should be a system of National Indemnity insuring ships against loss in time of war. The Commission concluded :—

“ We look mainly for security to the strength of our Navy ; but we rely in only a less degree upon the widespread resources of our mercantile fleet, and its power to carry on our trade and reach all possible sources of supply wherever they exist ; and we believe that a guarded and well-considered scheme of National Indemnity would act as a powerful addition to our resources, because it would tend to keep down the cost of transport and therefore would go far in the direction of preventing high prices in time of war, while at the same time it would be a stimulus to the enterprise of British shipowners.”

The "strength of our navy" in 1913, is, in comparison with rival naval forces, nothing like what it was in 1904. Because of that and of reasons that have become clear since 1904 and which I have indicated in the first of these articles, it is certain that any Royal Commission of to-day would report in favour of securing at least a three months' supply of food for the whole population in the United Kingdom in the event of war. I wish therefore to direct attention to a proposal which seems to be least open to objections to secure that end. I instance three months, not as an arbitrary figure, but because it is the figure generally taken as representing a fair standard for a military food store on the outbreak of war. But, candidly, I would hope, in the event of the three months' supply scheme being considered, that it would be developed into one for a six months' supply.

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## FOOD SUPPLY IN WAR TIME.

### SECTION IV.

#### AN INSURANCE POLICY.

#### GETTING TWO BENEFITS WITH ONE EFFORT.

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IN considering the victualling of these islands in time of war due weight must be given to economic and political as well as to military and naval facts. The matter is a pressing one, and we cannot afford to wait for that political regeneration which will recast the whole of our national policy on more patriotic lines.

The proposal which found some favour with the Royal Commission of 1904 to proclaim a Treasury indemnity against the destruction of our food ships by an enemy's ships on the outbreak of war would fail to meet the situation completely for two reasons :—

1. It would do nothing to counteract the tendency of producing centres unaffected by the war to hoard in disturbed times; and would not meet the food requisitions (with prohibition of exports) which would be proclaimed by European countries within the area of the war.
2. Food cargoes would still be held back by consignors so as to exact the "full market value," *i.e.*, the panic rate which would rule in England.

Thus an indemnity would not secure cheap and adequate food in war time, when the very existence of the nation would depend on the masses, suffering severely from loss of employment, being able to live.

With the veto put by the Commission on the proposal that the Government should buy and store wheat against the contingency of war, I am inclined to agree (though that is the method favoured by

European countries). With some practical knowledge of wheat production and distribution, I know the difficulties that would attend that policy. For instance, if the wheat needed were bought within a short term the rise in prices would be sensational. That is only one of the objections that can be raised. And such a proposal, I feel, has not the smallest chance of acceptance by Parliament, and it may therefore be put out of consideration.

A proposal to offer free storage to wheat is open to fewer objections, but I doubt its efficacy. To have any chance of success it would need to apply to *all* wheat stored in this country; otherwise present stocks of grain would simply be removed from private stores to the Government's free stores. The advantage of free storage would possibly not lead to the bonding up of a sufficient surplus in war time. Further, at a hint of trouble, the free-stored wheat might begin to be transferred to a neutral place and the Government faced with the necessity of letting it go or requisitioning it—the latter an expensive step and one which diplomacy might veto as converting a position of probable war into one of certain war.

Proposals to offer bonuses to farmers to keep their wheat in rick for a longer period come nearer the mark; but they fall short of the best method, which it seems to me is to decide that there should always be at least a three months' supply of wheat in the country: to find the difference between the present lowest supply and that amount; and to offer premiums for the local *production* and storing by tenant farmers of the extra quantity. For the minimum of safety we require a sufficient supply of wheat (and, say, rye) to be kept in the country so that at any time during the year there will be a three months' supply for all the population (I should prefer a six months' supply; but propose three months for the present). The Government should regard this as a National Insurance Policy against starvation, and should agree to pay the tenant farmers and cultivating owners of the United Kingdom in the nature of premiums as an inducement for growing and storing the extra amount needed.

To put the proposal in detail. We can reckon normally on having, say, nine weeks' supply of wheat and wheat substitutes in the United Kingdom on the outbreak of war—roughly, 6,300,000 quarters—I shall

not attempt to give absolutely exact figures: approximations will be more easily kept in mind and will represent the argument quite as accurately). Our national food consumption per week of wheat is something a little over 700,000 quarters. For three months it would be 9,100,000 quarters. We need then, an extra 2,800,000 quarters of wheat or of wheat substitutes to be added to the national stock. Among wheat substitutes I should give chief place to rye. The United Kingdom eats but little rye bread now: but that is a fact which represents a bad and not a good national habit. A policy of food insurance in time of war could with advantage include rye in a premium scheme, partly because rye can be grown in parts of the country where wheat cannot, and partly because it would be of general advantage if rye to some extent took the place of wheat in the national dietary, and partly because a rye crop would—because of its earlier harvesting—give the farmers the chance of a catch crop later.

To ensure an extra 2,800,000 quarters of grain of local production in the United Kingdom now, something under 700,000 extra acres would need to come under the plough for either wheat or rye. An extra area of 700,000 acres of wheat—if we argue on the basis of wheat alone—would ensure in an average season the 2,800,000 quarters. But allowing for a reasonable proportion of rye 600,000 extra acres under wheat and about 100,000 extra acres under rye would meet the situation.

Now what amount of premium would be needed to bring those extra acres back to corn? The best guide to an answer is the record of wheat prices and wheat acreages in the past. Judging from past statistics, if the premium were for production alone, a premium on present prices of 2s. 3d. per quarter on 2,400,000 extra quarters might prove sufficient to bring 600,000 extra acres under wheat. It is difficult to calculate the premium which would be needed to bring extra land under rye. Rye is fortunately rapidly coming into favour as a crop, and the 1912 figures showed an increase over the previous year of 13,800 acres, or 34 per cent., making the 1912 area 54,133 acres. To get 400,000 extra quarters of rye would need a very large increase in the acreage. But the premium on rye and the premium on wheat could be worked to dovetail. The production premium, however, would not end the premium claim. The farmer is to be asked not only to produce extra corn on land which he does not find

profitable for corn-growing now, but also to store it for the convenience of the Government until the new crop is in, practically for a whole year. From September to December in normal circumstances there is at least three months' wheat in the country. It is the months from the beginning of January to the end of August that must be provided for. (The farmer thus must store his wheat until the worst local time for selling.) The loss on account of interest alone on the wheat and straw held up would be about 2s. 6d. per quarter of wheat per annum; and there would have to be met also the loss from vermin and the holding up of the straw. At the Commission of 1904 various witnesses estimated the subsidy needed for defensive storing of wheat at from 4s. 6d. to 20s. per quarter. The wide range of these estimates indicates the difficulty of making an accurate calculation. And the 1904 estimates would not apply exactly in 1913, for there has been since then a change in the conditions affecting wheat-growing in Great Britain. I estimate the subsidy needed to be as follows:—

	s. d.
Premium on production .. .. .	2 2 per quarter
Compensation for Loss of Interest for storing ..	2 6 per quarter
Allowance for deterioration .. .. .	2 0 per quarter
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	6 8 per quarter

Thus, on 2,800,000 extra quarters of grain the total premium would be something under £1,000,000. That would give us more sure food in war time and add 700,000 acres to the ploughed land of Great Britain, with consequent great increase in agricultural employment.

The premium should be payable to the actual producer, not to the large landowners, *i.e.*, to the *bona fide* tenant farmer or to the small cultivating landowner. It might be politically possible, to help the holders of the wheat for six months after August (during September, October, November, December, January, and February), by imposing a small import duty on flour (not on wheat) from foreign countries. This would help the farmer to unload, aid the milling industry, and give stock-rearers the advantage of cheap offals for the winter months. This could not, in my

opinion, increase the price of bread. In any case it is not put forward as an essential part of the proposal, but as a possible bit of helpful machinery.

I do not anticipate that there would be any large expenditure needed on the administration of this scheme; and I am encouraged in this opinion by facts which have been put before me as to the bonus paid in Australia on sugar grown by white labour. Probably five wheat Commissioners would be needed to administer the premium in the different counties, and the wheat selected by them for premiums could be scheduled by the various County Councils, with their existing administrative machinery. Perhaps, to make sure that the bonus was not misrepresented as a device to subsidise big landowners, it might be provided, in addition to the limitation of its benefits to *bona fide* tenant farmers and cultivating owners that no owner of land exceeding 1,500 acres in extent should participate in the benefit of the premium. All wheat selected would have to be well stacked and thatched, or kept under cover of barns, and the stacks insured by the farmers.

The chief difficulty would be in devising a system of check to make sure that the bonus was paid on additional wheat acres and not on acres substituted for those already in cultivation. But this check could be effected if a close record of all wheat lands were taken in the first instance, and most of the work could be done with the existing machinery of administration.

### The Final Stage.

But there is yet another step. If we provide a premium system to ensure an extra month's bread in time of war, thus ensuring a full three months' supply within the country, half the work yet remains to be done. Panic might still hold the food markets, and speculators might still keep back supplies to exact famine prices. A corollary to the premium system should, therefore, be a law allowing for the requisition by the Government before the outbreak of war of all stocks—except domestic stocks—of food necessities at the price ruling at the date of the proclamation of requisition. Then what the Government had bought at a fair price would be distributed at a fair price, and with three months' cheap food in the cupboard the nation could set to its war tasks with confidence.

I know that many objections can be urged to the scheme I have outlined; and in regard to details it is open to modification. But the main principles of it should be accepted by all patriotic men: (1) That there should be an increase in the locally-held stocks of food, and (2) precaution against panic prices ruling in our markets on the anticipation or outbreak of war. I am in some doubt whether the extra month's supply (making the total at any time available three months' supply) to be secured by an insurance premium is sufficient, and could not with wisdom be increased. But I have considered it best to put forward a minimum proposal in the first instance, and I have had in consideration the improving state of wheat production. The Government requisition of food supply necessities at a fair price on the outbreak of war is an integral part of the plan. It will, of course, be subjected to much criticism, but it may be made welcome to the farming interest by reason of the premium proposals. Any other objection to it could only come from a speculating mercantile interest that would seek to take advantage of the nation's necessities in war time; and that interest deserves no consideration.

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